

31A-21-310 Dividends on policies.

- (1) Section 31A-22-418 applies to life insurance and annuities.
- (2) Any insurer may distribute a portion of surplus attributable to policies other than life insurance or annuities, in amounts and with classifications the board of directors determines to be fair and reasonable. This distribution may not be contingent on the renewal of any policy or of premium payments unless the policy stated that limitation when it was written. A schedule explaining the basis for the distribution shall be filed with the commissioner prior to the distribution. The schedule shall be kept confidential by the commissioner unless he finds that the interests of insureds and the public require that it be made public.
- (3) Any insurer may distribute surplus to any class of policyholder, even if their policies do not provide for it. A schedule explaining the basis for the distribution shall be filed with the commissioner under Subsection (2) at least 30 days prior to the distribution. The commissioner shall disallow any distribution which is materially unfair to other policyholders or which would place the insurer in a financially hazardous condition.
- (4) It is permissible to provide an indivisible dividend to classes of policyholders having more than one type of policy, including a combination of life or annuities with other types of insurance.

Enacted by Chapter 242, 1985 General Session